

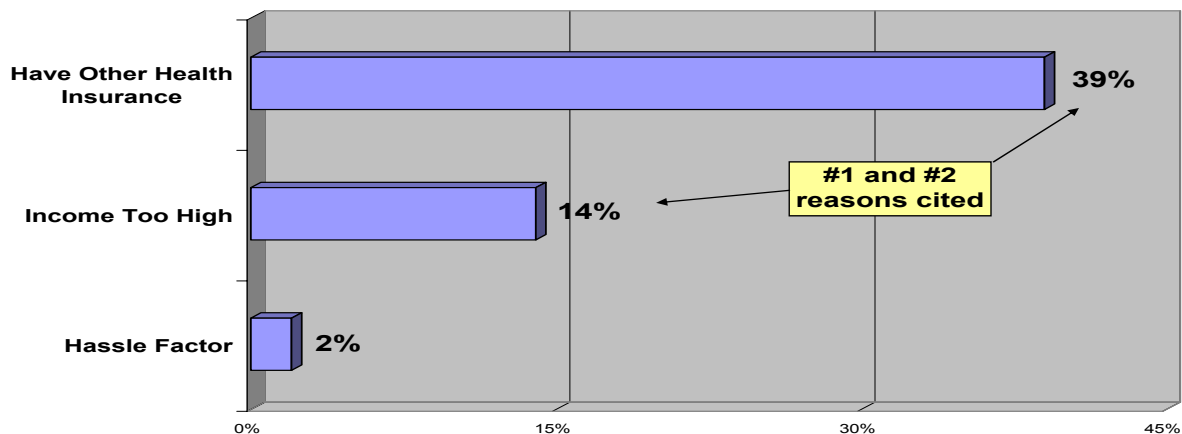
Budget Tidbits... just the facts

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Budget Brief #4: Gregoire Medicaid Policies (2/1/05)

- The 2003 Legislature approved a package of reforms to prevent Medicaid fraud.
 - A 2002 DSHS study had found 7% of reviewed recipients were ineligible and over 33% of individuals' eligibility could not be verified.¹
 - One of the legislative reforms enacted was to require a more frequent verification of eligibility – every 6 months, rather than every 12.
- Gov. Gregoire recently repealed the more frequent eligibility verification. Her office stated people “drop off not because they’re not eligible but because they can’t jump the hurdles.”²
- But a September 2004 DSHS study which reviewed why people did not return their re-certification forms belies the Governor’s assertion --

**Reasons Cited by Individuals for
Not Returning Eligibility Forms**



Source: Medicaid Eligibility Quality Control Project #39 -- September 2004, Subtype 2 (Desk Audit Plus Interview)

- While 14% cited their income as too high, this in fact was low – DSHS found 35% of individuals who failed to return forms were over the income limit.
- Repealing more frequent eligibility verification will cost state taxpayers \$31 M.³

The Bottom Line

More frequent eligibility review has purged a large number of ineligible people off taxpayer rolls. Is repealing this policy a wise use of taxpayer dollars?

1. Source: Medicaid Eligibility Quality Control Project #27 – December 2002.
2. Source: Seattle Times – 1/20/05, “Gregoire Relaxes Rules on Medicaid”, quoting Ree Sailors, Governor’s Adviser.
3. Source: OFM Budget Division, 1/21/05 (state impact for 2005 Supplemental & 2005-07 biennial budget).